



April 4, 2018

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Update to Parts 2 and 25 Concerning Non-Geostationary, Fixed Satellite Service Systems and Related Matters, IB Docket No. 16-408*

Dear Ms. Dortch:

Hughes Network Systems, LLC (“Hughes”) submits this *ex parte* letter to supplement the comments¹ it filed with OneWeb and Intelsat in response to the Further Notice of Proposed Rulemaking (“FNPRM”) adopted by the Federal Communications Commission (“FCC” or “Commission”) in the above-captioned proceeding.² The Commission proposed to eliminate the domestic coverage requirement for non-geostationary (“NGSO”) fixed-satellite service (“FSS”) systems.³

Specifically, Hughes maintains that elimination of the domestic coverage requirement is not in the public interest.⁴ Removing the domestic coverage requirement will undercut the FCC’s longstanding but unrealized goals to ensure NGSO coverage of populated areas that cannot be reached by GSO or terrestrial networks, and will impede the FCC’s ongoing efforts to close the digital divide.⁵ Furthermore, eliminating the domestic coverage requirement could

¹ Comments of WorldVu Satellites Limited, d/b/a OneWeb, Intelsat Corporation, and Hughes Network Systems, LLC, IB Docket No. 16-408 (filed Jan. 2, 2018) (“Satellite Operator Comments”).

² *Update to Parts 2 and 25 Concerning Non-Geostationary, Fixed-Satellite Service Systems and Related Matters*, Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 7809 (2017) (“FNPRM”). Hughes also discussed the domestic coverage requirement with Rachael Bender in an *ex parte* meeting. Letter from Jennifer A. Manner, Hughes Network Systems, LLC, to Marlene H. Dortch, Secretary, FCC, IB Docket No. 16-408 (filed Mar. 8, 2018).

³ FNPRM, 32 FCC Rcd at 7834, ¶ 76.

⁴ See Satellite Operator Comments at 2-5; Letter from Governor Bill Walker, State of Alaska, to Marlene H. Dortch, Secretary, FCC, IB Docket No. 16-408 (filed Dec. 20, 2017; posted to ECFS on Jan. 4, 2018).

⁵ See, e.g., Ajit Pai, Chairman, FCC, *Statement on SpaceX Satellite Broadband Application: Recognizes Role of Satellite Broadband in Bridging the Digital Divide and Connecting Americans*, at 1 (Feb. 14, 2018), https://transition.fcc.gov/Daily_Releases/Daily_Business/2018/db0214/DOC-349224A1.pdf (“Satellite technology can help reach Americans who live in rural or hard-to-serve places where fiber optic cables and cell towers do not reach. And it can offer more competition where terrestrial Internet access is already available.”)

negatively impact the FCC's drive to close the digital divide and ensure service is provided to rural and remote areas. Eliminating the current domestic coverage requirement will erode the incentive of NGSO FSS operators to build systems that provide coverage to remote and rural areas. The specialized FSS systems could in effect be designed to serve only high-density areas in the United States without providing service to the unserved areas that would benefit from the broadband coverage that NGSO FSS systems can provide. Conversely, retaining the U.S. coverage requirement will allow the FCC to grant individual waivers of the coverage requirement for NGSO FSS systems that serve the public interest – *e.g.*, for specialized systems focused on reaching underserved areas first.

In the event the Commission chooses to eliminate the domestic coverage requirement for NGSO FSS systems, Hughes proposes that the Commission require NGSO FSS system applicants that will not serve the United States in its entirety to demonstrate in their application that they will provide “substantial service” to the rural areas within the coverage area of the proposed constellation. The Commission has defined rural areas as any area that does not satisfy the definition of an “urbanized area” or “urban cluster” with a population of 25,000 or more as determined by the most recent rural-urban classification by the U.S. census bureau.⁶ The Commission has also defined substantial service as “service which is sound, favorable, and substantially above a level of mediocre service which just might warrant renewal.”⁷ To promote administrative efficiency, Hughes recommends that the Commission employ the same definition of rural and substantial service for the purposes of NGSO FSS coverage. Implementing this coverage requirement would enable the innovative design of NGSO FSS systems. At the same time, unserved rural areas would not lose out on critical access to broadband services.

In conclusion, Hughes urges the Commission to retain the domestic coverage requirement. In the event that the Commission chooses to eliminate the requirement, it is in the public interest for the Commission to ensure that future specialized NGSO FSS systems provide sufficient coverage of rural and remote areas in the United States in furtherance of its efforts to close the digital divide.

Respectfully submitted,

/s/ Jennifer A. Manner

Jennifer A. Manner

Senior Vice President, Regulatory Affairs

⁶ 47 C.F.R. § 54.505(b)(3)(i). The FCC has employed this definition of rural and urban areas for the E-rate program and other Universal Service support programs. *Bridging the Digital Divide for Low-Income Consumers*, Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking and Notice of Inquiry, 32 FCC Rcd 10475, 10478 ¶ 5 (2017).

⁷ The Commission has used the substantial service standard for many services. *See e.g.*, 47 C.F.R. §§ 22.503(k)(3), 27.14, 90.685(b), 95.1933, 101.527(a), 101.1011(a).